

MEMORANDUM

To: Technical Advisory Committee

February 26, 2014

From: Chris DeGabriele, TAC Chairman 

Subj: SCWA Water Shortage Allocation Methodology Update
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RECOMMENDED ACTION: Recommend WAC Accept the SCWA Water Shortage Allocation Methodology Update

Attachment 1 is the Water Shortage Allocation Methodology Preface Statement from the Water Shortage Allocation Methodology Report prepared for Sonoma County Water Agency by Brown and Caldwell. As stated in the preface statement, the Technical Advisory Committee has been working with the Agency and its consultants since September 2012 on an update of the allocation model. Section 3.5 of the Restructured Agreement requires that the Agency have an adopted Water Shortage Allocation Model available at all times.

At the February 3rd WAC meeting, the WAC and TAC members received a presentation from the consultant on the model.

This model is for a water shortage in the Russian River, not a shortage of Transmission System Capacity. The model is divided into two components: 1) for annual shortage, and 2) for a peak or monthly shortage.

The model as currently established includes recognizing local supplies at 75% of the respected estimated annual quantity and daily capacity and limits Marin Municipal Water District daily capacity allocation to 4MGD from May 1st through September 30th, approximately consistent with their off peak water supply agreement.

It's understood by the parties that available quantities and capacities for local supply will be dependent on circumstances which occur during an actual shortage and the parties have agreed that the model will be adjusted coincident with any actual shortage to reflect the local supply that may be available at that time. The 3-year averages used in developing the model will be updated with the latest available information prior to implementation. The parties have committed to use the maximum local supply capacity available during monthly shortage conditions to benefit local and regional water supply reliability.

The available quantities and capacities of Agency supply in this model update reflect a 3% allowance for transmission system losses, something that was not included in the prior version of the allocation model. The preface statement recommends that these water loss

**March 3, 2014 TAC Mtg
Agenda Item #3**

amounts be verified subsequent to actual deliveries and that the actual transmission system losses be distributed prior to application of any liquidated damages.

Finally, the Restructured Agreement enables the Water Contractors to agree on an alternate allocation methodology provided the Water Advisory Committee unanimously approves such alternate allocation. That option continues to exist should it be needed in the future.

My understanding is that the TAC consensus is to accept the model as now prepared. The WAC will again consider accepting the model at its April 7th meeting and as Chair of the TAC I ask that the TAC recommend the WAC accept the SCWA Water Shortage Allocation Methodology Update.

Allocation Model Preface Statement

January 29, 2013

Since September 2012, the Technical Advisory Committee (TAC) has been working with Sonoma County Water Agency (Agency) and its' consultant on an update of the Allocation Model (AM) which was originally prepared by Jon Nelson in April 2006 and adopted by the Agency's Board of Directors on April 18, 2006. The Restructured Agreement for Water Supply (RA) requires the Agency to have an adopted water shortage allocation methodology available at all times, consistent with RA Section **3.5 Shortage of Water and Apportionment**, to inform each Customer of the water that would be available to that Customer pursuant to the terms of RA Section 3.5(a). The methodology is reflected in an excel spreadsheet calculation which distributes available supply or available capacity to the Water Contractors, Marin Municipal Water District (MMWD) and Other Agency Customers. To date an Ad Hoc committee of the TAC has reviewed, commented and recommended changes to the proposed AM update for both Annual Allocation and Monthly Allocation Models for water available in the Russian River (RA Section 3.5(a)). Neither the TAC nor the Agency has yet dealt with the methodology or model to consider a temporary impairment of the capacity of the Transmission System pursuant to RA Section 3.5(b).

The TAC recommendations, now incorporated in the AM update, include recognizing local supplies at 75% of the respective estimated annual quantity and daily capacity and is based on a MMWD daily capacity allocation of 4MGD from May 1 through September 30. The parties acknowledge that the available quantities and capacities for local supply will be dependent on circumstances occurring from time to time during an actual shortage condition and agree that the AM will need adjustment coincident with the actual shortage to reflect the local supply at that time as was done in 2009. The parties are committed to use the maximum local supply capacity available during monthly shortage conditions to benefit local and regional water supply reliability.

The parties acknowledge that the available quantities and capacities of Agency Supply in the AM reflect a 3% allowance for Transmission System Losses and recommend that these amounts be verified subsequent to actual deliveries and the actual Transmission System losses be distributed prior to application of liquidated damages pursuant to Section 3.5(e) of the RA.

Furthermore, RA Agreement Section 3.5(f) enables the parties to agree on an alternate allocation methodology, provided the Water Advisory Committee unanimously approves such alternate allocation methodology.